



United States
Department of
Agriculture

NOV 24 2004

Food and
Nutrition Service

Mid-Atlantic Region

300 Corporate Blvd
Robbinsville, NJ
08691-1598

Ms. Barbra R. Caris
Project Manager
ISSDS Project
Department of Social Services
7 N. Eighth Street
Richmond, VA 23219

Dear Ms. Caris:

This is in response to your November 2, 2004 request for comments on the new procurement vehicles for the Virginia Department of Social Services (VADSS).

The documentation you submitted to us for review was via copies of letters VADSS sent to the Administration for Children and Families, U. S. Department of Health & Human Services (DHHS). The issue of concern was the new state procurement method authorized by the Public-Private Educational Facilities Infrastructure Act (PPEA) recently enacted by Virginia law. In addition to reviewing the two separate letters sent to DHHS, we also reviewed the October 28, 2004 response you received from that Agency.

As DHHS has indicated, we also have concerns about these new procurement methodologies that should be addressed by the Commonwealth as it uses these new procedures. State agencies are subject to the procurement requirements found in the Uniform Administrative Requirements of OMB Circular A-102 §__36 Procurement, Federal Regulations 7 CFR Subtitle B, Subchapter 1, Part 3016.36 Procurement, and Part 3015 Subpart S – Procurement (3015.180 through 3015.184). As long as the procurement method utilized by Virginia meets the specifications of these Federal requirements, the process would be acceptable, however, it is your Agency's responsibility to insure that whatever procurement methodology is applied fully satisfies the Federal requirements.

As you are also aware, States are subject to the requirements found in FNS Handbook 901, the Advance Planning Document Handbook which covers requirements for Federal prior approval and related procedures for approving new and enhanced automated systems through the submission of Advance Planning Documents (APDs). Any procurement undertaken through the new procurement method for system-related matters is subject to the thresholds set in the handbook for prior approval and the submission of APDs. Additionally, the handbook sets the conditions and requirements for Requests for Proposal (RFP) and contracts; those requirements must be met before acceptance or approval would be granted by this office for any RFP or contract developed under PPEA.

The Food and Nutrition Service is an agency
of the Department of Agriculture

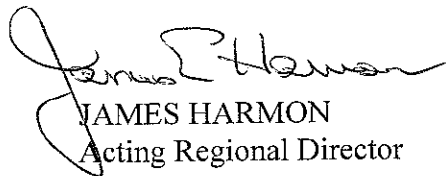
An Equal Opportunity Provider and Employer

One of the letters sent to DHHS included specific questions related to the IT Services Contracts and PPEA. We can not provide answers to those questions. We feel it would be more prudent for you to pose those questions to your own State's General Counsel.

We thank you for the information you have provided and the opportunity to review the changes which impact your system-related operations. We hope this information will assist you in complying with the Federal requirements.

Please do not hesitate to contact this office if we can be of further assistance. Our Regional ADP Coordinator is Karen Bowden and she can be reached at 609-259-5081.

Sincerely,



JAMES HARMON
Acting Regional Director
Financial Management